
By: **Delegates Hixson, Bozman, C. Davis, Gordon, Healey, and Patterson**
Patterson, Bartlett, Boschert, Cardin, Cryor, Elmore, Gilleland,
Goodwin, Heller, Howard, Kaiser, King, Marriott, McKee, Myers,
Ramirez, and Ross

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House action: Adopted with floor amendments
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CHAPTER _____

1 AN ACT concerning

2 **Maryland Heritage Structure Rehabilitation Tax Credit Program**

3 FOR the purpose of ~~establishing~~ reestablishing the Maryland Heritage Structure
4 Rehabilitation Tax Credit Program to provide funding for rehabilitation of
5 historic properties and other properties contributing to a historic district or a
6 certified heritage area; requiring the Director of the Maryland Historical Trust
7 in the Department of Housing and Community Development to adopt certain
8 regulations ~~and to establish an application process for the award of grants under~~
9 ~~the Program; providing limits on the amount of certain grants for certain~~
10 ~~purposes; to establish certain procedures and standards, establish a certain~~
11 ~~application process, and establish a certain competitive award process under the~~
12 Program; providing for the issuance of certain initial credit certificates for
13 certain rehabilitations, subject to certain requirements and limitations;
14 providing certain limits on the amount of the credit that may be claimed for
15 certain rehabilitations; limiting the credit that may be claimed for certain
16 rehabilitations to the maximum amount stated in the initial credit certificate;
17 providing for the expiration of an initial credit certificate under certain
18 circumstances; establishing the Heritage Structure Rehabilitation Tax Credit
19 Reserve Fund; limiting the credit amounts in the aggregate for which the
20 Director may issue initial credit certificates for any fiscal year to the amount
21 appropriated to a certain fund, except under certain circumstances; requiring
22 the Governor to include certain appropriations to a certain fund in the annual
23 budget bill for certain fiscal years; requiring the Historical Trust to provide
24 certain notification to the Comptroller as to certain rehabilitations; requiring
25 the Comptroller to transfer certain amounts from a certain fund to the General

1 Fund under certain circumstances; clarifying the circumstances under which
 2 the credit may be claimed for certain years under certain circumstances;
 3 providing for amended returns under certain circumstances; providing for
 4 certain determinations by the Comptroller; altering certain reporting
 5 requirements; providing for the termination of the Program; altering a certain
 6 limit on the aggregate amount of credits that may be approved for commercial
 7 rehabilitations for a certain calendar year; altering the manner in which certain
 8 proposed rehabilitations shall be approved; altering a certain termination
 9 provision; providing for the application of this Act; defining certain terms; and
 10 generally relating to the Maryland Heritage Structure Rehabilitation Tax Credit
 11 Program.

12 BY adding to
 13 Article 83B - Department of Housing and Community Development
 14 Section ~~5-613.1~~ 5-801
 15 Annotated Code of Maryland
 16 (2003 Replacement Volume)

17 BY repealing and reenacting, with amendments, and transferring to the Session
 18 Laws
 19 Article 83B - Department of Housing and Community Development
 20 Section 5-801
 21 Annotated Code of Maryland
 22 (2003 Replacement Volume)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 24 MARYLAND, That the Laws of Maryland read as follows:

25 **Article 83B - Department of Housing and Community Development**

26 ~~5-613.1, 5-801.~~

27 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
 28 INDICATED.

29 (2) "BUSINESS ENTITY" MEANS:

30 (I) A PERSON CONDUCTING OR OPERATING A TRADE OR BUSINESS
 31 IN THE STATE; OR

32 (II) AN ORGANIZATION OPERATING IN MARYLAND THAT IS EXEMPT
 33 FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE.

34 (3) "CERTIFIED HERITAGE AREA" HAS THE MEANING STATED IN §
 35 13-1101 OF THE FINANCIAL INSTITUTIONS ARTICLE.

36 (4) (I) "CERTIFIED HERITAGE STRUCTURE" MEANS A STRUCTURE
 37 THAT IS LOCATED IN THE STATE AND IS:

- 1 LISTED IN THE NATIONAL REGISTER OF HISTORIC
2 PLACES;
- 3 2. DESIGNATED AS A HISTORIC PROPERTY UNDER LOCAL
4 LAW AND DETERMINED BY THE DIRECTOR TO BE ELIGIBLE FOR LISTING ON THE
5 NATIONAL REGISTER OF HISTORIC PLACES;
- 6 3. A. LOCATED IN A HISTORIC DISTRICT LISTED ON THE
7 NATIONAL REGISTER OF HISTORIC PLACES OR IN A LOCAL HISTORIC DISTRICT THAT
8 THE DIRECTOR DETERMINES IS ELIGIBLE FOR LISTING ON THE NATIONAL REGISTER
9 OF HISTORIC PLACES; AND
- 10 B. CERTIFIED BY THE DIRECTOR AS CONTRIBUTING TO THE
11 SIGNIFICANCE OF THE DISTRICT; OR
- 12 4. LOCATED IN A CERTIFIED HERITAGE AREA AND
13 CERTIFIED BY THE MARYLAND HERITAGE AREAS AUTHORITY AS CONTRIBUTING TO
14 THE SIGNIFICANCE OF THE CERTIFIED HERITAGE AREA.
- 15 (II) "CERTIFIED HERITAGE STRUCTURE" DOES NOT INCLUDE A
16 STRUCTURE THAT IS OWNED BY THE STATE, A POLITICAL SUBDIVISION OF THE
17 STATE, OR THE FEDERAL GOVERNMENT.
- 18 (5) "CERTIFIED REHABILITATION" MEANS A COMPLETED
19 REHABILITATION OF A CERTIFIED HERITAGE STRUCTURE THAT THE DIRECTOR
20 CERTIFIES IS A SUBSTANTIAL REHABILITATION IN CONFORMANCE WITH THE
21 REHABILITATION STANDARDS OF THE UNITED STATES SECRETARY OF THE
22 INTERIOR.
- 23 (6) "COMMERCIAL REHABILITATION" MEANS A REHABILITATION OF A
24 STRUCTURE OTHER THAN A SINGLE-FAMILY, OWNER-OCCUPIED RESIDENCE.
- 25 (7) "DIRECTOR" MEANS THE DIRECTOR OF THE MARYLAND HISTORICAL
26 TRUST.
- 27 (8) "LOCAL HISTORIC DISTRICT" MEANS A DISTRICT THAT THE
28 GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION, OR THE MAYOR AND
29 CITY COUNCIL OF BALTIMORE, HAS DESIGNATED UNDER LOCAL LAW AS HISTORIC.
- 30 (9) "QUALIFIED REHABILITATION EXPENDITURE" MEANS ANY AMOUNT
31 THAT:
- 32 (I) IS PROPERLY CHARGEABLE TO A CAPITAL ACCOUNT;
- 33 (II) IS EXPENDED IN THE REHABILITATION OF A STRUCTURE THAT
34 BY THE END OF THE CALENDAR YEAR IN WHICH THE CERTIFIED REHABILITATION IS
35 COMPLETED IS A CERTIFIED HERITAGE STRUCTURE;
- 36 (III) IS EXPENDED IN COMPLIANCE WITH A PLAN OF PROPOSED
37 REHABILITATION THAT HAS BEEN APPROVED BY THE DIRECTOR ~~AND DOES NOT~~

1 ~~EXCEED THE ESTIMATED AMOUNT OF PROPOSED REHABILITATION EXPENDITURES~~
 2 ~~STATED IN THE APPLICATION FOR APPROVAL OF THE PLAN OF PROPOSED~~
 3 ~~REHABILITATION; AND~~

4 (IV) IS NOT FUNDED, FINANCED, OR OTHERWISE REIMBURSED BY
 5 ANY:

6 1. STATE OR LOCAL GRANT;

7 2. GRANT MADE FROM THE PROCEEDS OF TAX-EXEMPT
 8 BONDS ISSUED BY THE STATE, A POLITICAL SUBDIVISION OF THE STATE, OR AN
 9 INSTRUMENTALITY OF THE STATE OR OF A POLITICAL SUBDIVISION OF THE STATE;

10 3. STATE TAX CREDIT OTHER THAN THE TAX CREDIT UNDER
 11 THIS SECTION; OR

12 4. OTHER FINANCIAL ASSISTANCE FROM THE STATE OR A
 13 POLITICAL SUBDIVISION OF THE STATE, OTHER THAN A LOAN THAT MUST BE REPAYED
 14 AT AN INTEREST RATE THAT IS GREATER THAN THE INTEREST RATE ON GENERAL
 15 OBLIGATION BONDS ISSUED BY THE STATE AT THE MOST RECENT BOND SALE PRIOR
 16 TO THE TIME THE LOAN IS MADE.

17 (10) "SUBSTANTIAL REHABILITATION" MEANS REHABILITATION OF A
 18 STRUCTURE FOR WHICH THE QUALIFIED REHABILITATION EXPENDITURES, DURING
 19 THE 24-MONTH PERIOD SELECTED BY THE INDIVIDUAL OR BUSINESS ENTITY
 20 ENDING WITH OR WITHIN THE ~~CALENDAR~~ TAXABLE YEAR, EXCEED:

21 (I) FOR OWNER-OCCUPIED RESIDENTIAL PROPERTY, \$5,000; OR

22 (II) FOR ALL OTHER PROPERTY, THE GREATER OF:

23 1. THE ADJUSTED BASIS OF THE STRUCTURE; OR

24 2. \$5,000.

25 (B) (1) THE DIRECTOR SHALL ADOPT REGULATIONS TO:

26 (I) ESTABLISH PROCEDURES AND STANDARDS FOR CERTIFYING
 27 HERITAGE STRUCTURES AND REHABILITATIONS UNDER THIS SECTION;

28 (II) FOR COMMERCIAL REHABILITATIONS, ESTABLISH AN
 29 APPLICATION PROCESS FOR THE AWARD OF INITIAL CREDIT CERTIFICATES FOR
 30 MARYLAND HERITAGE STRUCTURE REHABILITATION TAX CREDITS GRANTS TAX
 31 CREDITS CONSISTENT WITH THE REQUIREMENTS OF THIS SUBSECTION; AND

32 (III) FOR COMMERCIAL REHABILITATIONS, ESTABLISH A
 33 COMPETITIVE AWARD PROCESS FOR THE AWARD OF INITIAL CREDIT CERTIFICATES
 34 FOR MARYLAND HERITAGE STRUCTURE REHABILITATION TAX CREDITS GRANTS TAX
 35 CREDITS THAT:

1 1. ~~ENSURES TAX CREDITS GRANTS TAX CREDITS ARE~~
 2 AWARDED IN A MANNER THAT REFLECTS THE GEOGRAPHIC DIVERSITY OF THE
 3 STATE; ~~AND~~

4 2. ~~FAVORS THE AWARD OF GRANTS TAX CREDITS FOR~~
 5 ~~REHABILITATIONS OF STRUCTURES THAT ARE UNLIKELY TO OCCUR WITHOUT THE~~
 6 ~~FAVORS THE AWARD OF TAX CREDITS FOR REHABILITATION PROJECTS THAT ARE~~
 7 ~~CONSISTENT WITH AND PROMOTE CURRENT GROWTH AND DEVELOPMENT POLICIES~~
 8 ~~AND PROGRAMS OF THE STATE GRANTS TAX CREDITS.; AND~~

9 3. A. ~~FAVORS THE AWARD OF TAX CREDITS FOR~~
 10 ~~STRUCTURES THAT ARE:~~

11 ~~A.~~ ~~LISTED IN THE NATIONAL REGISTER OF HISTORIC~~
 12 ~~PLACES; OR~~

13 ~~B.~~ ~~DESIGNATED AS A HISTORIC PROPERTY OR ARE~~
 14 ~~DESIGNATED AS HISTORIC PROPERTIES UNDER LOCAL LAW AND DETERMINED BY~~
 15 ~~THE DIRECTOR TO BE ELIGIBLE FOR LISTING IN THE NATIONAL REGISTER OF~~
 16 ~~HISTORIC PLACES; OR~~

17 B. ~~FAVORS THE AWARD OF TAX CREDITS FOR STRUCTURES~~
 18 ~~THAT ARE CONTRIBUTING BUILDINGS WITH HISTORIC SIGNIFICANCE AND ARE~~
 19 ~~LOCATED IN HISTORIC DISTRICTS LISTED IN THE NATIONAL REGISTER OF HISTORIC~~
 20 ~~PLACES.~~

21 (2) THE DIRECTOR MAY NOT CERTIFY THAT A REHABILITATION IS A
 22 CERTIFIED REHABILITATION ELIGIBLE FOR A ~~GRANT TAX CREDIT~~ PROVIDED UNDER
 23 THIS SECTION UNLESS THE INDIVIDUAL OR BUSINESS ENTITY SEEKING
 24 CERTIFICATION STATES UNDER OATH THE AMOUNT OF THE INDIVIDUAL'S OR
 25 BUSINESS ENTITY'S QUALIFIED REHABILITATION EXPENDITURES.

26 (3) ~~BETWEEN JANUARY 1 AND MARCH 31~~ EACH YEAR, THE DIRECTOR
 27 MAY ACCEPT APPLICATIONS FOR APPROVAL OF PLANS OF PROPOSED
 28 ~~REHABILITATION BETWEEN JANUARY 1 AND MARCH 31~~ COMMERCIAL
 29 REHABILITATIONS AND FOR THE AWARD OF INITIAL CREDIT CERTIFICATES FOR THE
 30 FISCAL YEAR THAT BEGINS JULY 1 OF THAT YEAR.

31 (4) ~~EACH YEAR, FOR COMMERCIAL REHABILITATIONS,~~ THE DIRECTOR
 32 MAY NOT ACCEPT AN APPLICATION FOR APPROVAL OF PLANS OF PROPOSED
 33 REHABILITATION IF:

34 (I) ANY SUBSTANTIAL PART OF THE PROPOSED REHABILITATION
 35 WORK HAS BEGUN; OR

36 (II) THE APPLICANT FOR A COMMERCIAL REHABILITATION HAS
 37 PREVIOUSLY SUBMITTED THREE OR MORE APPLICATIONS FOR COMMERCIAL
 38 REHABILITATIONS WITH TOTAL PROPOSED REHABILITATIONS EXCEEDING \$500,000
 39 IN THAT YEAR.

1 (5) NOT MORE THAN 50% OF THE TOTAL CREDIT AMOUNTS UNDER
 2 INITIAL CREDIT CERTIFICATES ISSUED FOR ANY FISCAL YEAR MAY BE ISSUED FOR
 3 PROJECTS IN A SINGLE COUNTY OR BALTIMORE CITY.

4 (6) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
 5 PARAGRAPH, AT LEAST 10% OF THE TOTAL CREDIT AMOUNTS UNDER INITIAL CREDIT
 6 CERTIFICATES ISSUED FOR ANY FISCAL YEAR SHALL BE ISSUED FOR PROPOSED
 7 REHABILITATION PROJECTS SUBMITTED BY ORGANIZATIONS EXEMPT FROM
 8 TAXATION UNDER § 501(C)(3) OF THE INTERNAL REVENUE CODE.

9 (II) FOR ANY FISCAL YEAR, SUBPARAGRAPH (I) OF THIS PARAGRAPH
 10 DOES NOT APPLY TO THE EXTENT THAT THE TOTAL CREDIT AMOUNTS APPLIED FOR
 11 BY ORGANIZATIONS EXEMPT FROM TAXATION UNDER § 501(C)(3) OF THE INTERNAL
 12 REVENUE CODE FOR QUALIFYING PROJECTS IS LESS THAN 10% OF THE MAXIMUM
 13 AUTHORIZED AGGREGATE CREDIT AMOUNTS FOR THE FISCAL YEAR UNDER
 14 SUBSECTION (D) OF THIS SECTION.

15 (C) (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, FOR THE
 16 ~~CALENDAR~~ TAXABLE YEAR IN WHICH A CERTIFIED REHABILITATION IS COMPLETED,
 17 AN INDIVIDUAL OR BUSINESS ENTITY MAY ~~RECEIVE A GRANT~~ CLAIM A TAX CREDIT
 18 IN AN AMOUNT EQUAL TO 20% OF THE INDIVIDUAL'S OR BUSINESS ENTITY'S
 19 QUALIFIED REHABILITATION EXPENDITURES FOR THE REHABILITATION.

20 (2) (I) FOR ANY COMMERCIAL REHABILITATION, THE STATE ~~GRANT~~
 21 TAX CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE LESSER OF:

22 1. \$3,000,000 ; OR

23 2. THE MAXIMUM AMOUNT SPECIFIED UNDER THE INITIAL
 24 CREDIT CERTIFICATE ISSUED FOR THE REHABILITATION.

25 (II) FOR A REHABILITATION OTHER THAN A COMMERCIAL
 26 REHABILITATION, THE STATE ~~GRANT~~ TAX CREDIT ALLOWED UNDER THIS SECTION
 27 MAY NOT EXCEED ~~\$25,000~~ \$50,000.

28 (III) FOR THE PURPOSES OF THE LIMITATION UNDER
 29 SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE FOLLOWING SHALL BE TREATED AS A
 30 SINGLE COMMERCIAL REHABILITATION:

31 1. THE PHASED REHABILITATION OF THE SAME STRUCTURE
 32 OR PROPERTY;

33 2. THE SEPARATE REHABILITATION OF DIFFERENT
 34 COMPONENTS OF THE SAME STRUCTURE OR PROPERTY; OR

35 3. THE REHABILITATION OF MULTIPLE STRUCTURES THAT
 36 ARE FUNCTIONALLY RELATED TO SERVE AN OVERALL PURPOSE.

37 (D) (1) ~~THE AMOUNT OF FUNDS FOR COMMERCIAL REHABILITATION~~
 38 ~~GRANTS SHALL BE AS PROVIDED IN THE STATE BUDGET.~~

1 (2) ~~THE AMOUNT OF FUNDS FOR OWNER OCCUPIED REHABILITATION~~
2 ~~GRANTS SHALL BE AS PROVIDED IN THE STATE BUDGET.~~

3 (3) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE
4 INITIAL CREDIT CERTIFICATE FOR A PROPOSED COMMERCIAL REHABILITATION
5 SHALL EXPIRE AND THE CREDIT UNDER THIS SECTION MAY NOT BE CLAIMED IF THE
6 COMMERCIAL REHABILITATION IS NOT COMPLETED BY THE END OF THE FISCAL
7 YEAR FOLLOWING THE FISCAL YEAR FOR WHICH THE INITIAL CREDIT CERTIFICATE
8 WAS ISSUED.

9 (II) FOR REASONABLE CAUSE, THE DIRECTOR MAY POSTPONE THE
10 EXPIRATION DATE FOR AN INITIAL CREDIT CERTIFICATE FOR A COMMERCIAL
11 REHABILITATION.

12 (4) IF THE TAX CREDIT ALLOWED UNDER THIS SECTION IN ANY
13 TAXABLE YEAR EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY THE BUSINESS
14 ENTITY OR THE INDIVIDUAL FOR THAT TAXABLE YEAR, THE INDIVIDUAL OR
15 BUSINESS ENTITY MAY CLAIM A REFUND IN THE AMOUNT OF THE EXCESS.

16 (D) (1) IN THIS SUBSECTION, "RESERVE FUND" MEANS THE HERITAGE
17 STRUCTURE REHABILITATION TAX CREDIT RESERVE FUND ESTABLISHED UNDER
18 PARAGRAPH (2) OF THIS SUBSECTION.

19 (2) (I) THERE IS A HERITAGE STRUCTURE REHABILITATION TAX
20 CREDIT RESERVE FUND WHICH IS A SPECIAL CONTINUING, NONLAPSING FUND THAT
21 IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

22 (II) THE MONEY IN THE FUND SHALL BE INVESTED AND
23 REINVESTED BY THE TREASURER, AND INTEREST AND EARNINGS SHALL BE
24 CREDITED TO THE GENERAL FUND.

25 (3) (I) SUBJECT TO THE PROVISIONS OF THIS SUBSECTION, THE
26 DIRECTOR SHALL ISSUE AN INITIAL CREDIT CERTIFICATE FOR EACH COMMERCIAL
27 REHABILITATION FOR WHICH A PLAN OF PROPOSED REHABILITATION IS APPROVED.

28 (II) AN INITIAL CREDIT CERTIFICATE ISSUED UNDER THIS
29 SUBSECTION SHALL STATE THE MAXIMUM AMOUNT OF CREDIT UNDER THIS
30 SECTION FOR WHICH THE COMMERCIAL REHABILITATION MAY QUALIFY.

31 (III) 1. EXCEPT AS OTHERWISE PROVIDED IN THIS
32 SUBPARAGRAPH, FOR ANY FISCAL YEAR, THE DIRECTOR MAY NOT ISSUE INITIAL
33 CREDIT CERTIFICATES FOR CREDIT AMOUNTS IN THE AGGREGATE TOTALING MORE
34 THAN THE AMOUNT APPROPRIATED TO THE RESERVE FUND FOR THAT FISCAL YEAR
35 IN THE STATE BUDGET AS APPROVED BY THE GENERAL ASSEMBLY.

36 2. IF THE AGGREGATE CREDIT AMOUNTS UNDER INITIAL
37 CREDIT CERTIFICATES ISSUED IN A FISCAL YEAR TOTAL LESS THAN THE AMOUNT
38 APPROPRIATED TO THE RESERVE FUND FOR THAT FISCAL YEAR, ANY EXCESS
39 AMOUNT SHALL REMAIN IN THE RESERVE FUND AND MAY BE ISSUED UNDER INITIAL
40 CREDIT CERTIFICATES FOR THE NEXT FISCAL YEAR.

1 3. FOR ANY FISCAL YEAR, IF FUNDS ARE TRANSFERRED
2 FROM THE RESERVE FUND UNDER THE AUTHORITY OF ANY PROVISION OF LAW
3 OTHER THAN PARAGRAPH (4) OF THIS SUBSECTION, THE MAXIMUM CREDIT
4 AMOUNTS IN THE AGGREGATE FOR WHICH THE DIRECTOR MAY ISSUE INITIAL
5 CREDIT CERTIFICATES SHALL BE REDUCED BY THE AMOUNT TRANSFERRED.

6 (IV) 1. FOR FISCAL YEAR 2006, THE GOVERNOR SHALL INCLUDE
7 IN THE BUDGET BILL AN APPROPRIATION TO THE RESERVE FUND IN AN AMOUNT
8 EQUAL TO AT LEAST \$20,000,000.

9 2. FOR EACH OF FISCAL YEARS 2006, 2007, 2007 AND 2008, THE
10 GOVERNOR SHALL INCLUDE IN THE BUDGET BILL AN APPROPRIATION TO THE
11 RESERVE FUND IN AN AMOUNT EQUAL TO AT LEAST \$30,000,000.

12 (V) NOTWITHSTANDING THE PROVISIONS OF § 7-213 OF THE STATE
13 FINANCE AND PROCUREMENT ARTICLE, THE GOVERNOR MAY NOT REDUCE AN
14 APPROPRIATION TO THE RESERVE FUND IN THE STATE BUDGET AS APPROVED BY
15 THE GENERAL ASSEMBLY.

16 (VI) THE DIRECTOR MAY NOT ISSUE AN INITIAL CREDIT
17 CERTIFICATE FOR ANY FISCAL YEAR AFTER FISCAL YEAR 2008.

18 (4) (I) EXCEPT AS PROVIDED IN THIS PARAGRAPH, MONEY
19 APPROPRIATED TO THE RESERVE FUND SHALL REMAIN IN THE FUND.

20 (II) 1. WITHIN 15 DAYS AFTER THE END OF EACH CALENDAR
21 QUARTER, THE TRUST SHALL NOTIFY THE COMPTROLLER AS TO EACH COMMERCIAL
22 REHABILITATION COMPLETED AND CERTIFIED DURING THE QUARTER:

23 A. THE MAXIMUM CREDIT AMOUNT STATED IN THE INITIAL
24 CREDIT CERTIFICATE FOR THE PROJECT; AND

25 B. THE FINAL CERTIFIED CREDIT AMOUNT FOR THE
26 PROJECT.

27 2. ON NOTIFICATION THAT A PROJECT HAS BEEN
28 CERTIFIED, THE COMPTROLLER SHALL TRANSFER AN AMOUNT EQUAL TO THE
29 MAXIMUM CREDIT AMOUNT STATED IN THE INITIAL CREDIT CERTIFICATE FOR THE
30 PROJECT FROM THE RESERVE FUND TO THE GENERAL FUND.

31 (III) 1. ON OR BEFORE OCTOBER 1 OF EACH YEAR, THE TRUST
32 SHALL NOTIFY THE COMPTROLLER AS TO THE MAXIMUM CREDIT AMOUNT STATED
33 IN THE INITIAL CREDIT CERTIFICATE FOR EACH COMMERCIAL REHABILITATION FOR
34 WHICH THE INITIAL CREDIT CERTIFICATE HAS EXPIRED UNDER SUBSECTION (C)(3)
35 OF THIS SECTION AS OF THE END OF THE PRIOR FISCAL YEAR.

36 2. ON NOTIFICATION THAT THE INITIAL CREDIT
37 CERTIFICATE FOR A PROJECT HAS EXPIRED UNDER SUBSECTION (C)(3) OF THIS
38 SECTION, THE COMPTROLLER SHALL TRANSFER AN AMOUNT EQUAL TO THE

1 MAXIMUM CREDIT AMOUNT STATED IN THE INITIAL CREDIT CERTIFICATE FOR THE
2 PROJECT FROM THE RESERVE FUND TO THE GENERAL FUND.

3 (E) (1) IN THIS SUBSECTION, "DISQUALIFYING WORK" MEANS WORK THAT:

4 (I) IS PERFORMED ON A CERTIFIED HERITAGE STRUCTURE FOR
5 WHICH A REHABILITATION HAS BEEN CERTIFIED UNDER THIS SECTION; AND

6 (II) IF PERFORMED AS PART OF THE REHABILITATION CERTIFIED
7 UNDER THIS SECTION, WOULD HAVE MADE THE REHABILITATION INELIGIBLE FOR
8 CERTIFICATION.

9 (2) THE ~~GRANT CREDIT~~ ALLOWED UNDER THIS SECTION SHALL BE
10 RECAPTURED AS PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION IF, DURING THE
11 CALENDAR TAXABLE YEAR IN WHICH A CERTIFIED REHABILITATION IS COMPLETED
12 OR ANY OF THE 4 CALENDAR TAXABLE YEARS SUCCEEDING THE CALENDAR TAXABLE
13 YEAR IN WHICH THE CERTIFIED REHABILITATION IS COMPLETED, ANY
14 DISQUALIFYING WORK IS PERFORMED ON THE CERTIFIED HERITAGE STRUCTURE
15 FOR WHICH THE CERTIFIED REHABILITATION HAS BEEN COMPLETED.

16 (3) (I) 1. IF THE DISQUALIFYING WORK IS PERFORMED DURING
17 THE CALENDAR TAXABLE YEAR IN WHICH THE CERTIFIED REHABILITATION WAS
18 COMPLETED, 100% OF THE ~~GRANT CREDIT~~ SHALL BE RECAPTURED.

19 2. IF THE DISQUALIFYING WORK IS PERFORMED DURING
20 THE FIRST FULL YEAR SUCCEEDING THE CALENDAR TAXABLE YEAR IN WHICH THE
21 CERTIFIED REHABILITATION WAS COMPLETED, 80% OF THE ~~GRANT CREDIT~~ SHALL
22 BE RECAPTURED.

23 3. IF THE DISQUALIFYING WORK IS PERFORMED DURING
24 THE SECOND FULL YEAR SUCCEEDING THE CALENDAR TAXABLE YEAR IN WHICH
25 THE CERTIFIED REHABILITATION WAS COMPLETED, 60% OF THE ~~GRANT CREDIT~~
26 SHALL BE RECAPTURED.

27 4. IF THE DISQUALIFYING WORK IS PERFORMED DURING
28 THE THIRD FULL YEAR SUCCEEDING THE CALENDAR TAXABLE YEAR IN WHICH THE
29 CERTIFIED REHABILITATION WAS COMPLETED, 40% OF THE ~~GRANT CREDIT~~ SHALL
30 BE RECAPTURED.

31 5. IF THE DISQUALIFYING WORK IS PERFORMED DURING
32 THE FOURTH FULL YEAR SUCCEEDING THE CALENDAR TAXABLE YEAR IN WHICH
33 THE CERTIFIED REHABILITATION WAS COMPLETED, 20% OF THE ~~GRANT CREDIT~~
34 SHALL BE RECAPTURED.

35 (II) THE INDIVIDUAL OR BUSINESS ENTITY THAT ~~RECEIVED THE~~
36 ~~GRANT CLAIMED THE TAX CREDIT~~ SHALL PAY THE AMOUNT TO BE RECAPTURED AS
37 DETERMINED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH AS TAXES PAYABLE TO
38 THE STATE FOR THE CALENDAR TAXABLE YEAR IN WHICH THE DISQUALIFYING
39 WORK IS PERFORMED.

1 (F) (1) THE COMPTROLLER MAY DETERMINE, UNDER THE PROCESS FOR
2 RETURN EXAMINATION AND AUDIT UNDER §§ 13-301 AND 13-302 OF THE TAX -
3 GENERAL ARTICLE:

4 (I) THE AMOUNT OF REHABILITATION EXPENDITURES USED IN
5 CALCULATING THE CREDIT;

6 (II) WHETHER SUCH EXPENDITURES ARE QUALIFIED
7 REHABILITATION EXPENDITURES UNDER THIS SECTION; AND

8 (III) WHETHER THE CREDIT IS ALLOWABLE AS CLAIMED.

9 (2) THE AUTHORITY OF THE COMPTROLLER TO EXAMINE AND AUDIT A
10 TAX RETURN DOES NOT LIMIT THE AUTHORITY OF THE DIRECTOR TO DETERMINE
11 WHETHER A REHABILITATION QUALIFIES AS A CERTIFIED REHABILITATION OR
12 WHETHER A CERTIFICATE OF CERTIFIED REHABILITATION HAS BEEN PROPERLY
13 ISSUED.

14 (3) THE COMPTROLLER MAY ADOPT REGULATIONS TO REQUIRE THAT
15 AN ENTITY OTHER THAN A CORPORATION CLAIM THE TAX CREDIT ON THE TAX
16 RETURN FILED BY THAT ENTITY.

17 (4) (I) EXCEPT AS OTHERWISE PROVIDED IN THIS PARAGRAPH, THE
18 CREDIT UNDER THIS SECTION MAY BE CLAIMED FOR THE YEAR A CERTIFIED
19 REHABILITATION IS COMPLETED, ONLY IF THE DIRECTOR HAS, BY THE TIME THE
20 RETURN IS FILED, ISSUED A CERTIFICATE OF COMPLETION FOR THE CERTIFIED
21 REHABILITATION.

22 (II) A TAXPAYER CLAIMING THE CREDIT MAY AMEND A RETURN
23 FOR THE YEAR THE CERTIFIED REHABILITATION WAS COMPLETED TO ACCOUNT FOR
24 A CERTIFICATE ISSUED SUBSEQUENT TO THE FILING OF THE ORIGINAL RETURN.

25 (III) AN AMENDED RETURN SHALL BE FILED WITHIN THE PERIOD
26 ALLOWED UNDER THE TAX - GENERAL ARTICLE FOR FILING REFUND CLAIMS.

27 (IV) THE PROVISIONS OF THIS PARAGRAPH DO NOT EXTEND THE
28 PERIOD IN WHICH A CERTIFIED REHABILITATION MUST BE COMPLETED TO BE
29 ELIGIBLE FOR A TAX CREDIT UNDER THIS SECTION.

30 (V) AN AMENDED RETURN MAY ACCOUNT FOR AN AMENDED
31 CERTIFICATION ISSUED BY THE DIRECTOR FOR A CERTIFIED REHABILITATION.

32 (G) A REFUND PAYABLE UNDER SUBSECTION (C) OF THIS SECTION:

33 (1) OPERATES TO REDUCE THE INCOME TAX REVENUE FROM
34 CORPORATIONS IF THE PERSON ENTITLED TO THE REFUND IS A CORPORATION
35 SUBJECT TO THE INCOME TAX UNDER TITLE 10 OF THE TAX - GENERAL ARTICLE;

1 (2) OPERATES TO REDUCE INSURANCE PREMIUM TAX REVENUES IF THE
 2 PERSON ENTITLED TO THE REFUND IS SUBJECT TO TAXATION UNDER TITLE 6 OF
 3 THE INSURANCE ARTICLE; AND

4 (3) OPERATES TO REDUCE THE INCOME TAX REVENUE FROM
 5 INDIVIDUALS IF THE PERSON ENTITLED TO THE REFUND IS:

6 (I) AN INDIVIDUAL SUBJECT TO THE INCOME TAX UNDER TITLE 10
 7 OF THE TAX - GENERAL ARTICLE; OR

8 (II) AN ORGANIZATION EXEMPT FROM TAXATION UNDER § 501(C)(3)
 9 OF THE INTERNAL REVENUE CODE.

10 ~~(F)~~ (H) (1) ON OR BEFORE DECEMBER 15 OF EACH FISCAL YEAR, THE
 11 DIRECTOR SHALL REPORT TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE
 12 STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY, ON:

13 (I) THE GRANTS INITIAL CREDIT CERTIFICATES AWARDED FOR
 14 COMMERCIAL REHABILITATIONS UNDER THIS SECTION FOR THAT ~~CALENDAR~~
 15 FISCAL YEAR; AND

16 (II) THE TAX CREDITS AWARDED FOR CERTIFIED
 17 REHABILITATIONS COMPLETED IN THE PRECEDING FISCAL YEAR.

18 (2) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS
 19 SUBSECTION SHALL INCLUDE FOR EACH ~~COMMERCIAL REHABILITATION GRANT~~
 20 INITIAL CREDIT CERTIFICATE AWARDED DURING THE CALENDAR YEAR FOR THE
 21 FISCAL YEAR FOR A COMMERCIAL REHABILITATION:

22 (I) THE NAME OF THE OWNER OR DEVELOPER OF THE
 23 COMMERCIAL REHABILITATION;

24 (II) THE NAME AND ADDRESS OF THE PROPOSED OR CERTIFIED
 25 REHABILITATION AND THE COUNTY WHERE THE PROJECT IS LOCATED;

26 (III) THE DATES OF RECEIPT AND APPROVAL BY THE DIRECTOR OF
 27 ALL APPLICATIONS REGARDING THE PROJECT, INCLUDING APPLICATIONS:

28 1. FOR CERTIFICATION THAT A STRUCTURE OR PROPERTY
 29 WILL QUALIFY AS A CERTIFIED HERITAGE STRUCTURE; AND

30 2. FOR APPROVAL OF THE PROPOSED REHABILITATION; AND

31 3. ~~FOR CERTIFICATION OF THE COMPLETED~~
 32 ~~REHABILITATION; AND~~

33 (IV) THE MAXIMUM AMOUNT OF THE CREDIT STATED IN THE
 34 INITIAL CREDIT CERTIFICATE FOR THE PROJECT AND THE ESTIMATED
 35 REHABILITATION EXPENDITURES STATED IN THE APPLICATION FOR APPROVAL OF
 36 THE PLAN OF PROPOSED REHABILITATION.

1 (3) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS
 2 SUBSECTION SHALL INCLUDE FOR EACH CERTIFIED COMMERCIAL REHABILITATION
 3 COMPLETED DURING THE PRECEDING FISCAL YEAR:

4 (I) THE NAME OF THE OWNER OR DEVELOPER OF THE
 5 COMMERCIAL REHABILITATION;

6 (II) THE NAME AND ADDRESS OF THE CERTIFIED REHABILITATION
 7 AND THE COUNTY WHERE THE PROJECT IS LOCATED;

8 (III) THE DATES OF RECEIPT AND APPROVAL BY THE DIRECTOR OF
 9 ALL APPLICATIONS REGARDING THE PROJECT; AND

10 (IV) 1. THE MAXIMUM AMOUNT OF THE CREDIT STATED IN THE
 11 INITIAL CREDIT CERTIFICATE FOR THE PROJECT AND THE ESTIMATED
 12 REHABILITATION EXPENDITURES STATED IN THE APPLICATION FOR APPROVAL OF
 13 THE PLAN OF PROPOSED REHABILITATION; AND

14 2. THE ACTUAL QUALIFIED REHABILITATION
 15 EXPENDITURES AND THE FINAL AMOUNT OF THE CREDIT FOR WHICH THE PROJECT
 16 QUALIFIED.

17 (↔) (4) THE REPORT REQUIRED UNDER PARAGRAPH (1) OF THIS
 18 SUBSECTION SHALL ~~INCLUDE~~ SUMMARIZE FOR EACH CATEGORY OF CERTIFIED
 19 REHABILITATIONS:

20 (I) THE TOTAL NUMBER OF APPLICANTS FOR:

21 1. CERTIFICATION THAT A STRUCTURE OR PROPERTY WILL
 22 QUALIFY AS A CERTIFIED HERITAGE STRUCTURE;

23 2. APPROVAL OF PLANS OF PROPOSED REHABILITATIONS;
 24 OR

25 3. CERTIFICATION OF THE COMPLETED REHABILITATIONS;

26 (II) THE NUMBER OF PROPOSED PROJECTS FOR WHICH PLANS OF
 27 PROPOSED REHABILITATION GRANTS WERE APPROVED; AND

28 (III) THE TOTAL ESTIMATED REHABILITATION EXPENDITURES
 29 STATED IN APPROVED APPLICATIONS FOR APPROVAL OF PLANS OF PROPOSED
 30 REHABILITATION AND THE TOTAL QUALIFIED REHABILITATION EXPENDITURES FOR
 31 COMPLETED REHABILITATIONS CERTIFIED.

32 (↔) (5) THE INFORMATION REQUIRED UNDER PARAGRAPH (3) (4) OF
 33 THIS SUBSECTION SHALL BE PROVIDED IN THE AGGREGATE AND SEPARATELY FOR
 34 EACH OF THE FOLLOWING CATEGORIES OF CERTIFIED REHABILITATIONS:

35 (I) OWNER-OCCUPIED SINGLE FAMILY RESIDENTIAL
 36 STRUCTURES; AND

1 (II) COMMERCIAL REHABILITATIONS.

2 (I) (1) SUBJECT TO THE PROVISIONS OF THIS SUBSECTION, THE
3 PROVISIONS OF THIS SECTION AND THE TAX CREDIT AUTHORIZED UNDER THIS
4 SECTION SHALL TERMINATE AS OF JULY 1, 2008.

5 (2) ON AND AFTER JULY 1, 2008:

6 (I) THE TAX CREDIT AUTHORIZED UNDER THIS SECTION MAY BE
7 CLAIMED FOR:

8 1. A REHABILITATION PROJECT, OTHER THAN A
9 COMMERCIAL REHABILITATION, FOR WHICH AN APPLICATION FOR APPROVAL OF A
10 PLAN OF PROPOSED REHABILITATION WAS RECEIVED BY THE DIRECTOR ON OR
11 BEFORE JUNE 30, 2008; OR

12 2. A COMMERCIAL REHABILITATION FOR WHICH AN INITIAL
13 CREDIT CERTIFICATE HAS BEEN AWARDED UNDER SUBSECTION (D) OF THIS
14 SECTION; AND

15 (II) THE DIRECTOR SHALL CONTINUE TO REPORT TO THE
16 GOVERNOR AND THE GENERAL ASSEMBLY AS REQUIRED UNDER SUBSECTION (H) OF
17 THIS SECTION FOR AS LONG AS ANY REHABILITATION PROJECT FOR WHICH THE TAX
18 CREDIT MAY BE CLAIMED REMAINS INCOMPLETE.

19 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 5-801 of
20 Article 83B - Department of Housing and Community Development of the Annotated
21 Code of Maryland be repealed and reenacted, with amendments, and transferred to
22 the Session Laws, to read as follows:
23 [5-801.] 1.

24 (a) (1) In this section the following words have the meanings indicated.

25 (2) "Business entity" means:

26 (i) A person conducting or operating a trade or business in the
27 State; or

28 (ii) An organization operating in Maryland that is exempt from
29 taxation under § 501(c)(3) of the Internal Revenue Code.

30 (3) "Certified heritage area" has the meaning stated in § 13-1101(d) of
31 the Financial Institutions Article.

32 (4) (i) "Certified heritage structure" means a structure that is located
33 in the State and is:

34 1. Listed in the National Register of Historic Places;

1 (c) If the credit allowed under this section in any taxable year exceeds the
2 total tax otherwise payable by the business entity or the individual for that taxable
3 year, the business entity or individual may claim a refund in the amount of the excess.

4 (d) (1) The Director and the Maryland Heritage Areas Authority may adopt
5 regulations to establish procedures and standards for certifying heritage structures
6 and rehabilitations under this section.

7 (2) The Director may not certify that a rehabilitation is a certified
8 rehabilitation eligible for the tax credit under this section unless the individual or
9 business entity seeking certification states under oath the amount of the individual's
10 or business entity's qualified rehabilitation expenditures.

11 (e) (1) In this subsection, "disqualifying work" means work that:

12 (i) Is performed on a certified heritage structure for which a
13 rehabilitation has been certified under this section; and

14 (ii) If performed as part of the rehabilitation certified under this
15 section, would have made the rehabilitation ineligible for certification.

16 (2) Except as provided in paragraph (4) of this subsection, the credit
17 allowed under this section shall be recaptured as provided in paragraph (3) of this
18 subsection if, during the taxable year in which a certified rehabilitation is completed
19 or any of the 4 taxable years succeeding the taxable year in which the certified
20 rehabilitation is completed, any disqualifying work is performed on the certified
21 heritage structure for which the certified rehabilitation has been completed.

22 (3) (i) 1. If the disqualifying work is performed during the taxable
23 year in which the certified rehabilitation was completed, 100% of the credit shall be
24 recaptured.

25 2. If the disqualifying work is performed during the first full
26 year succeeding the taxable year in which the certified rehabilitation was completed,
27 80% of the credit shall be recaptured.

28 3. If the disqualifying work is performed during the second
29 full year succeeding the taxable year in which the certified rehabilitation was
30 completed, 60% of the credit shall be recaptured.

31 4. If the disqualifying work is performed during the third full
32 year succeeding the taxable year in which the certified rehabilitation was completed,
33 40% of the credit shall be recaptured.

34 5. If the disqualifying work is performed during the fourth
35 full year succeeding the taxable year in which the certified rehabilitation was
36 completed, 20% of the credit shall be recaptured.

37 (ii) Except as provided under paragraph (4) of this subsection, the
38 business entity or individual that claimed the credit shall pay the amount to be

1 recaptured as determined under subparagraph (i) of this paragraph as taxes payable
2 to the State for the taxable year in which the disqualifying work is performed.

3 (4) Recapture of the credit allowed under this section is not required if
4 the business entity or individual that claimed the credit does not own an interest in
5 the certified heritage structure when the disqualifying work is performed.

6 (f) A refund payable under subsection (c) of this section:

7 (1) Operates to reduce the income tax revenue from corporations if the
8 person entitled to the refund is a corporation subject to the income tax under Title 10
9 of the Tax - General Article;

10 (2) Operates to reduce insurance premium tax revenues if the person
11 entitled to the refund is subject to taxation under Title 6 of the Insurance Article; and

12 (3) Operates to reduce the income tax revenue from individuals if the
13 person entitled to the refund is:

14 (i) An individual subject to the income tax under Title 10 of the Tax
15 - General Article; or

16 (ii) An organization exempt from taxation under § 501(c)(3) of the
17 Internal Revenue Code.

18 (g) (1) On or before January 15, April 15, July 15, and October 15 of each
19 year, the Director shall report to the Governor and, subject to § 2-1246 of the State
20 Government Article, to the General Assembly, on the credit allowed under this
21 section.

22 (2) The report required under paragraph (1) of this subsection shall
23 include for the preceding calendar quarter, for each commercial rehabilitation that
24 was completed during the calendar quarter and for each proposed commercial
25 rehabilitation that remains incomplete as of the end of the calendar quarter:

26 (i) The name of the owner or developer that has applied for
27 approval of the tax credit;

28 (ii) The name and address of the proposed or certified
29 rehabilitation and the county where the project is located;

30 (iii) The dates of receipt and approval by the trust of all applications
31 regarding the project, including applications for certification that a structure or
32 property will qualify as a certified heritage structure, for approval of the proposed
33 rehabilitation, and for certification of the completed rehabilitation;

34 (iv) The estimated rehabilitation expenditures stated in the
35 application for approval of the plan of proposed rehabilitation; and

1 (v) For projects completed during the calendar quarter, the final
 2 qualified rehabilitation costs for the project and the amount of the credit for the
 3 certified rehabilitation.

4 (3) The report required on January 15 of each year shall summarize for
 5 the preceding calendar year, for each category of certified rehabilitations specified in
 6 paragraph (4) of this subsection:

7 (i) The number of applicants for:

8 1. Certification that a structure or property will qualify as a
 9 certified heritage structure;

10 2. Approval of proposed rehabilitations; or

11 3. Certification of completed rehabilitations;

12 (ii) The number of proposed rehabilitations approved and the
 13 number of completed rehabilitations certified as qualifying for the tax credit under
 14 this section; and

15 (iii) The total estimated rehabilitation expenditures stated in
 16 approved applications for approval of plans of proposed rehabilitation and the total
 17 qualified rehabilitation expenditures for completed rehabilitations certified.

18 (4) The information required under paragraph (3) of this subsection shall
 19 be provided in the aggregate and separately for each of the following categories of
 20 certified rehabilitations:

21 (i) Owner-occupied single family residential structures; and

22 (ii) Commercial rehabilitations.

23 (h) (1) Subject to the provisions of this subsection, the provisions of this
 24 section and the tax credit authorized under this section shall terminate as of ~~June 1,~~
 25 ~~2004~~ JULY 1, 2004.

26 (2) On and after ~~June 1, 2004~~ JULY 1, 2004:

27 (i) The tax credit authorized under this section may be claimed for
 28 [rehabilitation projects]:

29 1. A PROJECT FOR REHABILITATION OF A SINGLE-FAMILY,
 30 OWNER-OCCUPIED RESIDENCE for which an application for approval of a plan of
 31 proposed rehabilitation was received by the Director on or before ~~May 31, 2004~~ JUNE
 32 30, 2004; OR

33 2. A COMMERCIAL REHABILITATION PROJECT FOR WHICH
 34 AN APPLICATION OF A PLAN OF PROPOSED REHABILITATION HAS BEEN APPROVED
 35 BY THE DIRECTOR ON OR BEFORE ~~MAY 31, 2004~~ JUNE 30, 2004.

1 (ii) The Director shall continue to report to the Governor and the
2 General Assembly as required under subsection (g) for as long as any rehabilitation
3 project for which an application for approval of a plan of proposed rehabilitation was
4 received by the Director on or before ~~May 31, 2004~~ JUNE 30, 2004 remains incomplete.

5 (i) (1) From February 1, 2003 through December 31, 2003, the Director may
6 not approve plans of proposed rehabilitations reflecting proposed rehabilitation
7 expenditures for commercial projects in the aggregate in an amount greater than the
8 amount of expenditures that if completed would result in credits totaling \$23,000,000
9 for all commercial projects for which plans of proposed rehabilitation are approved
10 during that period.

11 (2) In calendar year 2004, the Director may not approve plans of
12 proposed rehabilitations reflecting proposed rehabilitation expenditures for
13 commercial projects in the aggregate in an amount greater than the amount of
14 expenditures that if completed would result in credits totaling ~~\$15,000,000~~ \$25,000,000
15 for all commercial projects for which plans of proposed rehabilitation are approved in
16 that year.

17 (3) (I) ~~It~~ EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
18 PARAGRAPH, IN each calendar year, subject to regulations that the Director adopts,
19 the Director shall approve plans of proposed rehabilitations on a first-come, first
20 served basis.

21 (II) FOR CALENDAR YEAR 2004, \$10,000,000 OF THE TOTAL \$25,000,000
22 IN CREDITS AVAILABLE FOR COMMERCIAL PROJECTS SHALL BE ALLOCATED UNDER
23 A COMPETITIVE AWARD PROCESS ESTABLISHED BY THE DIRECTOR AS PROVIDED IN
24 SUBPARAGRAPH (III) OF THIS PARAGRAPH.

25 (III) THE DIRECTOR SHALL ESTABLISH A COMPETITIVE AWARD
26 PROCESS THAT:

27 1. ENSURES TAX CREDITS ARE ALLOCATED IN A MANNER
28 THAT REFLECTS THE GEOGRAPHIC DIVERSITY OF THE STATE;

29 2. FAVORS THE ALLOCATION OF TAX CREDITS FOR
30 REHABILITATION PROJECTS THAT ARE CONSISTENT WITH AND PROMOTE CURRENT
31 GROWTH AND DEVELOPMENT POLICIES AND PROGRAMS OF THE STATE; AND

32 3. A. FAVORS THE ALLOCATION OF TAX CREDITS FOR
33 STRUCTURES THAT ARE LISTED IN THE NATIONAL REGISTER OF HISTORIC PLACES
34 OR ARE DESIGNATED AS HISTORIC PROPERTIES UNDER LOCAL LAW AND
35 DETERMINED BY THE DIRECTOR TO BE ELIGIBLE FOR LISTING IN THE NATIONAL
36 REGISTER OF HISTORIC PLACES; OR

37 B. FAVORS THE ALLOCATION OF TAX CREDITS FOR
38 STRUCTURES THAT ARE CONTRIBUTING BUILDINGS WITH HISTORIC SIGNIFICANCE
39 AND ARE LOCATED IN HISTORIC DISTRICTS LISTED IN THE NATIONAL REGISTER OF
40 HISTORIC PLACES.

1 (4) If a person submits a proposed rehabilitation plan that is not
2 approved in a calendar year as provided under this section, the person may reapply in
3 the next calendar year.

4 ~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take~~
5 ~~effect October 1, 2004.~~

6 SECTION 3. AND BE IT FURTHER ENACTED, That:

7 (a) Article 83B, § 5-801 of the Code, as enacted by Section 1 of this Act, shall
8 be applicable to:

9 (1) any project for rehabilitation of a single-family, owner-occupied
10 residence for which an application for approval of a plan of proposed rehabilitation is
11 received by the Director of the Historical Trust on or after ~~June 1, 2004~~ July 1, 2004;
12 and

13 (2) any commercial rehabilitation project for which an application of a
14 plan of proposed rehabilitation is approved by the Director on or after January 1,
15 2005.

16 (b) Former Article 83B, § 5-801 of the Code, as amended and transferred to
17 the Session Laws by Section 2 of this Act, shall continue to be applicable to:

18 (1) any project for rehabilitation of a single-family, owner-occupied
19 residence for which an application for approval of a plan of proposed rehabilitation
20 was received by the Director of the Historical Trust on or before ~~May 31, 2004~~ June
21 30, 2004; and

22 (2) any commercial rehabilitation project for which an application of a
23 plan of proposed rehabilitation has been approved by the Director on or before ~~May~~
24 ~~31, 2004~~ June 30, 2004.

25 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 June 1, 2004.